

# Summary of EPA's NSR Rule Revisions and Regulatory Alternatives Presented in STAPPA and ALAPCO's *New Source Review: A Menu of Options*

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Summary of EPA's NSR Rule Revisions	Summary of STAPPA/ALAPCO Menu of Options
<b>Baseline Emissions:</b> <ul style="list-style-type: none"> <li>Source allowed to look back over last 10 years to select any 24-month period upon which to establish baseline against which emissions increases are measured</li> <li>May select different 24-month period for each regulated NSR pollutant</li> </ul>	<b>Baseline Emissions:</b> <ul style="list-style-type: none"> <li>Sets most recent 2 years as presumptive baseline most representative of current operation and design</li> <li>Provides two options for alternative baseline (with permitting authority approval) based either on 1) actual emission rates or 2) utilization rates</li> <li>Requires use of single baseline period for each project for all affected emission units and regulated NSR pollutants</li> </ul>
<b>NSR Applicability Test:</b> <ul style="list-style-type: none"> <li>Allows use of "actual-to-projected-actual" emissions test to predict emissions 5 years into the future</li> <li>Expands "demand growth exclusion" to all existing sources</li> </ul>	<b>NSR Applicability Test:</b> <ul style="list-style-type: none"> <li>Option 1: Use "actual-to-potential" emissions test (as under old federal rule)</li> <li>Option 2: Use "actual-to-projected-actuals" test, but enhance oversight and enforcement tools and eliminate demand growth exclusion</li> <li>Option 3: Use "actual-to-projected-actuals" test and enhanced recordkeeping and reporting for electric utility steam generating units only</li> </ul>
<b>Clean Unit Exclusion:</b> <ul style="list-style-type: none"> <li>Provides automatic designation as "Clean Unit" for any unit that has installed BACT or met LAER in last 10 years</li> <li>Allows sources to receive "Clean Unit" status if they demonstrate other controls are "comparable to BACT"</li> <li>Ignores any emission increases from any project at a "Clean Unit" (i.e., no NSR at "Clean Units") for 10 years</li> </ul>	<b>Clean Unit Exclusion:</b> <ul style="list-style-type: none"> <li>Includes special provisions for "Clean Units," but does not ignore any emission increases from a project affecting the unit</li> <li>Option 1: Bases "Clean Unit" status – effective for 5 years – on BACT determinations made up to 2 years before revised state/local NSR rule adopted</li> <li>Option 2: Bases "Clean Unit" status – effective for 5 years – on control technology determinations made after revised state/local NSR rule takes effect</li> </ul>
<b>Pollution Control Project (PCP) Exclusion:</b> <ul style="list-style-type: none"> <li>Expands NSR exemption for PCPs (i.e., projects that result in significant emissions increases, but are exempt from NSR due to decreases in emissions of another pollutant) to all source categories</li> <li>Eliminates requirement that "primary purpose" of PCP must be to reduce emissions</li> <li>Lists PCPs presumptively deemed "environmentally beneficial" and allows others to demonstrate they are "environmentally beneficial"</li> </ul>	<b>Pollution Control Project (PCP) Exclusion:</b> <ul style="list-style-type: none"> <li>Retains "primary purpose" test</li> <li>Provides state/local agency authority to rebut presumption that a project is "environmentally beneficial"</li> <li>Clarifies that PCP exclusion is not applicable to replacement or reconstruction of existing emissions unit</li> </ul>
<b>Plantwide Applicability Limits (PAL):</b> <ul style="list-style-type: none"> <li>Allows facility to take PAL (i.e., a source-wide emissions cap), under which any changes are exempt from NSR</li> <li>PAL based on highest level of emissions allowable over past 10 years</li> <li>PAL does not decline</li> <li>New sources allowed to operate under PAL without controls</li> </ul>	<b>Plantwide Applicability Limits (PAL):</b> <ul style="list-style-type: none"> <li>Option 1: "Declining" PAL based on last 2 years (or other 2-year period in last 5, with permitting authority approval) and source required to install BACT on all significant units within 5 years</li> <li>Option 2: "Declining" PAL based on last 2 years (or other 2-year period in last 5, with permitting authority approval) and source required to achieve emissions levels equivalent to those achieved if BACT installed on all significant emissions units within 5 years</li> <li>Option 3: "Non-declining actuals" PAL set at actual emissions level of last 2 years (or other 2-year period in last 5, with permitting authority approval)</li> </ul>
<b>Equipment Replacement Exclusion:</b> <ul style="list-style-type: none"> <li>Allows replacement of existing equipment with new equipment costing up to 20% of current replacement value of entire process unit, without NSR</li> </ul>	<b>Equipment Replacement Exclusion:</b> <ul style="list-style-type: none"> <li>Option 1: Adopts specific criteria to be considered by source when determining if a change is "routine" and provides guidelines on how to use criteria</li> <li>Option 2: Permitting authority publishes lists of "routine" and "not routine" activities and applies same criteria and guidelines as under Option 1 for unlisted activities</li> </ul>